

1 TRANSCRIBED FROM DIGITAL RECORDING

2 IN THE UNITED STATES DISTRICT COURT
3 NORTHERN DISTRICT OF ILLINOIS
4 EASTERN DIVISION

4 UNITED STATES OF AMERICA,)
5 Plaintiff,) Case No. 18 CR 681-1
6 vs.)
7 MICHAEL ABRAMSON,) Chicago, Illinois
8 Defendant.) October 18, 2018
9) 10:30 a.m.
10)

9 TRANSCRIPT OF PROCEEDINGS - Initial Appearance and Arraignment
10 BEFORE THE HONORABLE MARIA VALDEZ, Magistrate Judge

11 APPEARANCES:

12 For the Government: HON. JOHN R. LAUSCH, JR.
13 219 South Dearborn Street
14 Chicago, Illinois 60604
BY: MR. RICHARD M. ROTHBLATT

15 For the Defendant: UB GREENSFELDER LLP
16 200 West Madison Street
17 Suite 3300
Chicago, Illinois 60606
BY: MR. PATRICK JOHN COTTER

18 ALSO PRESENT: Ms. Laura Neelin
19 Pretrial Services
20

21 PAMELA S. WARREN, CSR, RPR
22 Official Court Reporter - Retired
23 23869 N. High Ridge Drive
24 Lake Zurich, Illinois 60047
312.823.0001

25 NOTE: Please notify of correct speaker identification.

1 (Proceedings held in open court:)

2 THE CLERK: 18 CR 681, defendant one, United States of
3 America versus Michael Abramson, arraignment hearing. I'm
4 sorry, initial appearance and arraignment.

5 MR. ROTHBLATT: Good morning, your Honor. Richard
6 Rothblatt on behalf of the United States.

7 MR. COTTER: Good morning, your Honor. Patrick
8 Cotter, C-O-T-T-E-R, on behalf of Mr. Abramson, who is before
9 the Court.

10 MS. NEELIN: Good morning, your Honor. Laura Neelin
11 on behalf of Pretrial Services.

12 THE COURT: Good morning to everyone. We're here for
13 Mr. Abramson's initial appearance and arraignment.

14 Mr. Cotter, do you have a copy of the indictment?

15 MR. COTTER: I do, and we waive reading at this time,
16 your Honor.

17 THE COURT: Do you want to enter a plea at this time?

18 MR. COTTER: Yes, your Honor. Mr. Abramson will be
19 pleading not guilty.

20 THE COURT: Let me have the government advise
21 Mr. Abramson as a general nature of the charge and the maximum
22 penalties.

23 MR. ROTHBLATT: Your Honor, the defendant is charged
24 with 13 counts of false statements on corporate and personal
25 income tax returns in violation of Title 26, United States

1 Code, Section 7206, subparagraph one.

2 The maximum term of imprisonment, three years per
3 count. A fine of \$100,000. A term of supervised release of
4 one year. A special assessment of \$100.

5 THE COURT: Mr. Abramson, do you understand generally
6 the nature of the charges and the maximum penalties?

7 THE DEFENDANT: I do.

8 THE COURT: Then I advise you of your rights. You
9 have the right to remain silent. You are not required to make
10 any statements. If you choose to make a statement, you can
11 stop at any time. You must remember that any statement you
12 make can be used against you.

13 Do you understand this?

14 THE DEFENDANT: Yes.

15 THE COURT: You have the right to have an attorney
16 represent you. If you cannot afford an attorney, you need to
17 make an application to the Court, and if the Court finds you're
18 entitled to free counsel, we'll appoint one for you. The
19 important point is you're entitled to counsel whether or not
20 you can afford it.

21 Do you understand this?

22 THE DEFENDANT: Yes, your Honor.

23 THE COURT: All right. He's been advised of his
24 rights.

25 What is the government's position on bond?

1 MR. ROTHBLATT: Your Honor, the defendant and
2 government have come to an agreement on certain conditions of
3 release and a bond. I would like to tender to the Court for
4 the Court's review.

5 THE COURT: All right. Let me -- while you're doing
6 that, let me just inquire of Mr. Cotter if he has received a
7 copy of the Pretrial Services report.

8 MR. COTTER: We have, your Honor. Thank you.

9 THE COURT: Would you like to raise any factual
10 objections to the report?

11 MR. COTTER: No, your Honor. I believe Pretrial
12 Services informed me there is a small correction on page 4 that
13 they would like to make.

14 MS. NEELIN: Yes. Under substance abuse, that first
15 sentence there should read Mr. Abramson noted he does not
16 (unintelligible).

17 THE COURT: All right. Thank you.

18 MR. ROTHBLATT: And, your Honor, one additional note,
19 that defendant might be able to provide a little bit more color
20 to the Court on, is that this defendant has planned
21 international travel for both business and personal reasons,
22 and he would thus need to maintain his passport. So the
23 proposed conditions of release that we're tendering to the
24 Court don't include the defendant providing his passport to
25 Pretrial Services and agreeing not to make -- obtain a new

1 passport. However, that's partially the justification for the
2 \$100,000 bond secured by \$25,000 payment.

3 THE COURT: All right. Let me look at the bond work.

4 (Brief interruption.)

5 THE COURT: All right. It is fine for the Court.

6 Let me give you back the rider that needs to be
7 signed.

8 MR. COTTER: Your Honor, if I may raise one issue on
9 the rider. There is a condition on there that I have discussed
10 with the government which is in accordance with a comment in
11 the pretrial report he received regarding defendant
12 participating in gambling treatment, et cetera.

13 I represent to the Court that Mr. Abramson did, of
14 course, honestly acknowledge that he periodically engages in
15 legal gambling, completely legal gambling. He does not have a
16 gambling problem, your Honor. He has no gambling debt.

17 As the pretrial report shows, he is a -- he has
18 substance and he has great community ties. He's an attorney.
19 He has never had any problem with that. And we would
20 respectfully ask the Court to not impose that as a condition of
21 his release.

22 THE COURT: I do appreciate your argument, but
23 the -- I'm going to continue to impose that. It is not that he
24 must go into treatment, it is if Pretrial Services deems it
25 necessary. So Pretrial Services will do their due diligence,

1 will take into account everything that your client will say
2 with respect to it, and it would be up to them to order him to
3 attend or not attend.

4 All right. So if you want to sign off on that rider.

5 MR. COTTER: I will talk to my client if I may have a
6 moment, your Honor.

7 THE COURT: Yes.

8 (Brief interruption.)

9 THE COURT: All right. Mr. Abramson, we're going to
10 go over your conditions of release. I want you to listen very
11 carefully. If you have any questions and you want to consult
12 with your lawyer, just give me an indication, and I'll let you
13 have a private moment.

14 You will be released on \$100,000 bond secured by a
15 \$25,000 cash deposit with the Court.

16 You must submit to supervision by Pretrial Services.

17 Your travel is restricted to the Northern District of
18 Illinois. And any travel outside of that district must be
19 approved by Pretrial Services and the Court.

20 Do you understand that?

21 THE DEFENDANT: Yes, your Honor.

22 THE COURT: You must avoid all contact, directly or
23 indirectly, with any persons who may be a victim or witness in
24 this investigation or prosecution, and this includes
25 Individuals A and B as identified in the indictment, except as

1 necessary to the operation of your business. And obviously the
2 government will advise your attorney and you who Individuals A
3 and B are.

4 You are not to possess a firearm, destructive device,
5 or other dangerous weapon.

6 You are to report as soon as possible to Pretrial
7 Services.

8 Any contact that you might have with law enforcement,
9 this could include something as small as a traffic stop, you
10 must advise Pretrial Services of that.

11 You also have agreed to a rider condition, which is
12 that you must surrender your FOID card to Pretrial Services.
13 And if Pretrial Services deems it necessary, you must
14 participate in gambling treatment.

15 Do you understand these conditions?

16 THE DEFENDANT: Yes, your Honor.

17 THE COURT: You understand that if you violate any one
18 of these conditions, it could result in your bond being revoked
19 and you would possibly be in federal custody.

20 THE DEFENDANT: I understand.

21 THE COURT: Do you understand that if you fail to make
22 a court hearing in which you were ordered to appear, it could
23 not only result in your bond being revoked, but in possibly new
24 charges being filed against you?

25 THE DEFENDANT: I understand.

1 THE COURT: All right. I'm going to hold up what
2 appears to be your signature on the bond. And there are three
3 signatures. The first one appears to be your signature on the
4 rider. Is that in fact your signature?

5 THE DEFENDANT: It is, your Honor.

6 THE COURT: The second one is the signature on the
7 appearance bond. Is that your signature?

8 THE DEFENDANT: It is, your Honor.

9 THE COURT: And, finally, the signature on the
10 conditions of release, is that in fact your signature?

11 THE DEFENDANT: It is, your Honor.

12 THE COURT: All right. Thank you.

13 I'm signing off on the conditions of release. The
14 defendant is ordered released after processing.

15 So Mr. Cotter, he needs to be processed by the
16 marshals.

17 MR. COTTER: Yes, your Honor. If I may, your Honor,
18 one, we have been up to the marshals and we accomplished most
19 of the processing, but we will report back up there.

20 Secondly, your Honor, I have had a discussion with the
21 assistant U.S. Attorney this morning. We are going to post the
22 \$25,000 but we need to do that tomorrow morning. So I just
23 want it to be clear with the Court that that money will be
24 posted but we would need until tomorrow morning because he
25 doesn't have a check with him. All of his checks are in fact

1 processed by one of his employees.

2 THE COURT: All right. So I'm going to put on the
3 conditions -- I presume that's not -- there is no objection to
4 that?

5 MR. ROTHBLATT: No objection, your Honor.

6 THE COURT: That he must post the cash deposit with
7 the Court by noon on 10-19.

8 THE DEFENDANT: Okay.

9 MR. COTTER: Yes, your Honor. Okay.

10 THE DEFENDANT: So I'm adding that modification to the
11 bond.

12 MR. COTTER: Thank you, your Honor.

13 THE COURT: Did we provide further dates for counsel?

14 MR. ROTHBLATT: Not yet, your Honor.

15 THE CLERK: 16.1(a) conference by 10-25.

16 Pretrial motions by November 8th.

17 Response by November 22nd.

18 And you must contact Judge Kendall's chambers directly
19 for a status hearing date.

20 THE COURT: Anything further?

21 MR. ROTHBLATT: Your Honor, the government would move
22 to exclude time. We don't have a date for the next status yet,
23 but the government would move to exclude time in the interest
24 of justice for review of discovery.

25 THE COURT: Until the next status?

1 MR. ROTHBLATT: Until the next status.

2 THE COURT: Any objection?

3 MR. COTTER: No objection.

4 THE COURT: All right. That motion is granted.

5 Anything else on behalf of Mr. Abramson?

6 MR. COTTER: One moment please, your Honor.

7 THE COURT: Yes.

8 (Brief interruption.)

9 MR. COTTER: Thank you, your Honor. We would
10 just -- an issue regarding the permission regarding travel, but
11 I think we'll work it out.

12 THE COURT: All right. Thank you very much.

13 MR. ROTHBLATT: Thank you, Judge.

14 MR. COTTER: Thank you very much, your Honor.

15 (Which concluded the proceedings.)

16 CERTIFICATE

17 I certify that the foregoing is a correct transcript
18 from the digital recording of proceedings in the above-entitled
19 matter to the best of my ability, given the limitation of using
20 a digital-recording system.

21

22 **/s/Pamela S. Warren**
23 Official Court Reporter - Retired
24 United States District Court
Northern District of Illinois
Eastern Division

March 20, 2024
Date

25